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August 15, 2014

RECEIVED

AUG 21 2014

PUBLIC SERVICE
COMMISSION

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Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Case No. 2014-00051

Dear Mr. Derouen:

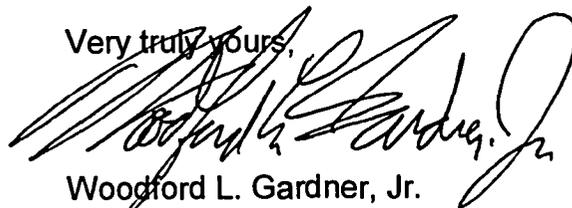
Enclosed for filing is the original and five (5) copies of the response to Commission Staff's Third Request for Information, regarding the Examination of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. and the Pass Through Mechanism for its Sixteen Member Distribution Cooperative.

The applicant, Farmers Rural Electric Cooperative Corporation ("Farmers"), makes the following response as follows:

1. The witness who is prepared to answer questions concerning the request is William T. Prather.
2. William T. Prather, President & CEO of Farmers, is the person supervising the preparation of the responses on behalf of the applicant.
3. The responses and exhibit are attached hereto and incorporated by referenced herein.

Thank you for your assistance.

Very truly yours,



Woodford L. Gardner, Jr.
Attorney for Applicant

Enclosures

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 6.

This question is addressed to all member cooperatives. Refer to each member cooperative's July 31, 2013 monthly pass-through filing.

Request 6a.

Provide the numerator used in the calculation of the respective member cooperative's pass-through mechanism factor, along with the expense month with which the numerator is associated.

Response 6a.

See attached Exhibit A. Farmers' response assumes that the Commission is referring to the monthly pass-through filing, reported on July 19, 2013. The pass-through factor was 12.32%. The numerator is Farmers' Net Revenue – Revenue Requirements (Column 10) totaling \$453,540.

Request 6b.

Provide the denominator used in the calculation of the respective member cooperative's pass-through mechanism factor, along with the calculations and the months supporting the calculations of the denominator.

Response 6b.

See attached Exhibit A. Farmers' response assumes that the Commission is referring to the monthly pass-through filing, reported on July 19, 2013. The denominator is the 12-months ended, Average Retail Revenues, net (Column 14) totaling \$3,680,122.

Request 6c.

Provide the month's revenue (amount and month of the year) each member cooperative's pass-through mechanism factor for July 2013 is applied to in arriving at the monthly environmental surcharge revenues recovered.

Response 6c.

The pass-through factor of 12.32% was applied to Farmers' billing month of August 2013. Farmers' revenue for August 2013 totaled \$3,960,409.

Witness: William T. Prather

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Farmers RECC

For the Month Ending February 2014

Surcharge Factor Expense Month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Farmers	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Farmers	EKPC 12-months Ended Average Monthly Revenue from Sales to Farmers	Farmers Revenue Requirement	Amortization of (Over)/Under Recovery	Farmers Net Revenue Requirement	Farmers Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Farmers Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Farmers Pass Through Mechanism Factor
			Col. (1) - Col (2)			Col. (4) - Col (5)		Col (3) - Col (7)		Col (8) + Col (9)			Col (11) - Col. (12)		Col (10) / Col (14)
Jan-12	12.09%	0.00%	12.09%	\$ 3,030,904		\$ 3,030,904	\$ 2,578,406	\$ 311,729	\$ -	\$ 311,729	\$ 4,108,627	\$ 4,108,627	\$ 3,553,768	8.65%	
Feb-12	10.78%	0.00%	10.78%	\$ 2,697,925		\$ 2,697,925	\$ 2,560,389	\$ 276,010	\$ -	\$ 276,010	\$ 3,575,840	\$ 3,575,840	\$ 3,521,771	7.77%	
Mar-12	12.92%	0.00%	12.92%	\$ 2,199,686		\$ 2,199,686	\$ 2,546,831	\$ 329,051	\$ -	\$ 329,051	\$ 2,945,369	\$ 2,945,369	\$ 3,496,512	9.34%	
Apr-12	14.94%	0.00%	14.94%	\$ 1,939,493		\$ 1,939,493	\$ 2,538,522	\$ 379,255	\$ -	\$ 379,255	\$ 2,968,246	\$ 2,968,246	\$ 3,514,864	10.85%	
May-12	16.90%	0.00%	16.90%	\$ 2,381,701		\$ 2,381,701	\$ 2,556,177	\$ 431,994	\$ -	\$ 431,994	\$ 3,359,278	\$ 3,359,278	\$ 3,534,136	12.29%	
Jun-12	15.55%	0.00%	15.55%	\$ 2,658,075		\$ 2,658,075	\$ 2,554,557	\$ 397,234	\$ -	\$ 397,234	\$ 3,970,742	\$ 3,970,742	\$ 3,593,348	11.24%	
Jul-12	14.51%	0.00%	14.51%	\$ 3,080,477		\$ 3,080,477	\$ 2,554,603	\$ 370,673	\$ -	\$ 370,673	\$ 4,096,807	\$ 4,096,807	\$ 3,574,495	10.32%	
Aug-12	14.13%	0.00%	14.13%	\$ 2,699,968		\$ 2,699,968	\$ 2,532,154	\$ 357,793	\$ -	\$ 357,793	\$ 3,548,260	\$ 3,548,260	\$ 3,545,948	10.01%	
Sep-12	16.23%	0.00%	16.23%	\$ 2,279,035		\$ 2,279,035	\$ 2,528,154	\$ 410,319	\$ -	\$ 410,319	\$ 2,843,720	\$ 2,843,720	\$ 3,541,740	11.57%	
Oct-12	17.57%	0.00%	17.57%	\$ 2,132,758		\$ 2,132,758	\$ 2,528,700	\$ 444,293	\$ -	\$ 444,293	\$ 3,342,760	\$ 3,342,760	\$ 3,554,172	12.54%	
Nov-12	18.23%	0.00%	18.23%	\$ 2,615,595		\$ 2,615,595	\$ 2,544,072	\$ 463,784	\$ -	\$ 463,784	\$ 3,543,393	\$ 3,543,393	\$ 3,537,756	13.05%	
Dec-12	14.61%	0.00%	14.61%	\$ 2,854,676		\$ 2,854,676	\$ 2,547,524	\$ 372,193	\$ -	\$ 372,193	\$ 4,302,313	\$ 4,302,313	\$ 3,550,446	10.52%	
Jan-13	13.49%	0.00%	13.49%	\$ 3,119,470		\$ 3,119,470	\$ 2,554,905	\$ 344,657	\$ -	\$ 344,657	\$ 4,555,242	\$ 4,555,242	\$ 3,587,664	9.71%	
Feb-13	12.61%	0.00%	12.61%	\$ 2,861,265		\$ 2,861,265	\$ 2,568,517	\$ 323,890	\$ -	\$ 323,890	\$ 4,026,058	\$ 4,026,058	\$ 3,625,182	9.03%	
Mar-13	14.37%	0.00%	14.37%	\$ 2,893,886		\$ 2,893,886	\$ 2,626,367	\$ 377,409	\$ -	\$ 377,409	\$ 3,537,316	\$ 3,537,316	\$ 3,674,511	10.41%	
Apr-13	14.27%	0.00%	14.27%	\$ 2,227,407		\$ 2,227,407	\$ 2,650,359	\$ 378,206	\$ -	\$ 378,206	\$ 3,032,999	\$ 3,032,999	\$ 3,679,907	10.29%	
May-13	17.97%	0.00%	17.97%	\$ 2,285,310		\$ 2,285,310	\$ 2,642,327	\$ 474,826	\$ -	\$ 474,826	\$ 3,361,849	\$ 3,361,849	\$ 3,680,122	12.90%	
Jun-13	17.09%	0.00%	17.09%	\$ 2,796,113		\$ 2,796,113	\$ 2,653,830	\$ 453,540	\$ -	\$ 453,540	\$ 3,812,526	\$ 3,812,526	\$ 3,666,937	12.32%	
Jul-13	15.77%	0.00%	15.77%	\$ 2,727,699		\$ 2,727,699	\$ 2,624,432	\$ 413,873	\$ 145,226	\$ 559,099	\$ 3,980,409	\$ 3,960,409	\$ 3,655,570	15.25%	
Aug-13	15.49%	0.00%	15.49%	\$ 2,740,899		\$ 2,740,899	\$ 2,627,843	\$ 407,053	\$ 159,971	\$ 567,024	\$ 3,654,248	\$ 3,654,248	\$ 3,664,403	15.51%	
Sep-13	14.93%	0.00%	14.93%	\$ 2,387,197		\$ 2,387,197	\$ 2,636,856	\$ 393,683	\$ 159,971	\$ 553,654	\$ 3,160,830	\$ 3,160,830	\$ 3,690,829	15.11%	
Oct-13	16.69%	0.00%	16.69%	\$ 2,207,728		\$ 2,207,728	\$ 2,643,104	\$ 441,134	\$ 159,971	\$ 601,105	\$ 3,341,727	\$ 3,341,727	\$ 3,690,743	16.29%	
Nov-13	17.43%	0.00%	17.43%	\$ 2,645,278		\$ 2,645,278	\$ 2,645,577	\$ 461,124	\$ 159,971	\$ 621,095	\$ 4,012,992	\$ 4,012,992	\$ 3,729,876	16.83%	
Dec-13	14.54%	0.00%	14.54%	\$ 3,108,968		\$ 3,108,968	\$ 2,666,768	\$ 387,748	\$ 159,971	\$ 547,719	\$ 4,690,507	\$ 4,690,507	\$ 3,762,225	14.68%	
Jan-14	10.92%	0.00%	10.92%	\$ 3,923,632		\$ 3,923,632	\$ 2,733,782	\$ 298,529	\$ 14,745	\$ 313,274	\$ 5,317,160	\$ 5,317,160	\$ 3,825,718	8.33%	
Feb-14	5.44%	0.00%	5.44%	\$ 3,254,143		\$ 3,254,143	\$ 2,766,522	\$ 150,499	\$ -	\$ 150,499				3.93%	

filed July 19, 2013

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 7.

This question is addressed to all member cooperatives. For the month of July 2005, provide the following:

Request 7a.

Identify the month in which the member cooperative's revenue requirement was used, along with the months in which the member cooperative's 12-months-ended average retail revenue was used in calculating the pass-through mechanism factor.

Response 7a.

The member cooperative's revenue requirement used was June 2005. Farmers' Billing Registers of June 2004-May 2005 were used to calculate the cooperative's 12-month average retail revenue.

Request 7b.

Identify the member cooperative's month revenues (amount and month of the year) the pass-through mechanism factor was applied to arrive at the member cooperative's monthly environmental surcharge revenues

Response 7b.

A billing factor of 4.28% was applied to the August 2005 revenues of \$2,936,664 to calculate a monthly environmental surcharge revenues of \$125,689. The total billed to retail customers, net of any billing adjustments, and recorded on Farmers' books as provided in the response to the Staff's IC Information Request, was \$128,367.

Witness: *William T. Prather*

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

Request 7. (continued)

Request 7c.

Identify the member cooperative's month revenues (amount and month of the year) and the member cooperative's month expense (amount and month of the year) used in calculating any over/under recovery, along with the month the over/under recovery is reflected, in the member cooperative's response to the Information Request of Commission Staff following the June 18, 2014 Informal Conference ("Staff's IC Information Request"), item 2.

Response 7c.

For the month of July 2005, Farmers' August 2005 revenues in the amount of \$128,367 and the surcharge from the July 2005 EKPC power bill of \$135,106 results in an under-recovery for that period of \$6,739. While Farmers wants to be responsive to the Commission Staff's request, it respectfully submits that it does not understand what is being requested when asked to identify the month the under-recovery is "reflected".

Witness: William T. Prather

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 8.

This question is addressed to all member cooperatives. For the month of December 2013, provide the following:

Request 8a.

Identify the month in which the member cooperative's revenue requirement was used, along with the months in which the member cooperative's 12-months-ended average retail revenue was used in calculating the pass-through mechanism factor.

Response 8a.

The member cooperative's revenue requirement used was October 2013. Farmers' Billing Registers of October 2012 – September 2013 were used to calculate the cooperative's 12-month average retail revenue.

Request 8b.

Provide the member cooperative's month revenues the pass-through mechanism factor was applied to arrive at the member cooperative's monthly environmental surcharge revenues

Response 8b.

A billing factor of 16.29% was applied to December 2013 revenues of \$4,012,992 to calculate a monthly environmental surcharge revenues of \$653,716. The total billed to retail customers, net of any billing adjustments, and recorded on Farmers' books as provided in the response to the Staff's IC Information Request, was \$653,714.

Witness: William T. Prather

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 8. (continued)

Request 8c.

Identify the member cooperative's month revenues and the member cooperative's month expense used in calculating any over/under recovery, along with the month the over/under recovery is reflected in the member cooperative's response to Staff's IC Information Request, item 2.

Response 8c.

For the month of December 2013, Farmers' December 2013 revenues in the amount of \$653,714 and the surcharge from the December 2013 EKPC power bill of \$541,894 results in an over-recovery for that period of \$111,820. While Farmers wants to be responsive to the Commission Staff's request, it respectfully submits that it does not understand what is being requested when asked to identify the month the over-recovery is "reflected".

Request 8d.

If there was a change in the calculations between Item No. 7 and Item No. 8, fully explain the reason for the change and provide any Commission supporting authorization for the change.

Response 8d.

The following narrative was presented to the Commission in Case No. 2012-00486:

Since the inception of Farmers Rural Electric Cooperative Corporation ("Farmers"), the monthly cost for purchased power had been recorded one month in arrears, which resulted in an inaccurate matching of power cost to energy revenue. In consultation with our financial audit firm and the Rural Utilities Service ("RUS"), Farmers invoked a "change in accounting principle", effective for the year ending December 31, 2011. This decision enabled Farmers to make a one-time true up of the purchased power cost to begin recording in the appropriate month. This accounting change was also noted in its annual Form 7 filed with RUS as well as the annual financial statement filed with the Kentucky Public Service Commission ("PSC").

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 8d. (continued)

Historically, previously in these review cases, the environmental surcharge included in the cost of purchased power was recorded one month in arrears, as was reflected on Column (1) entitled "EKPC Invoice Month Recorded on Member's Books." The last review, Case No. 2011-00032, included the East Kentucky Power Cooperative ("EKPC") power bills through the month of November 2010, which, at the time, was recorded on the December financials of Farmers.

Following in succession, the 18-month review of this Case No. 2012-00486 should begin with the environmental surcharge on the December 2010 EKPC's purchased power invoice. In order to account for the "change in accounting principle", effective for the year ending December 31, 2011, and appropriately document when the EKPC invoice is recorded on Farmers' books, the data submitted, for this review, shall include 19 months of power bills. Therefore, data for January 2011, column (1), includes the environmental surcharges from the December 2010 and January 2011 cost of purchased power bills.

Witness: *William T. Prather*

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Request 9.

This question is addressed to all member cooperatives. In a month when there is an amortization of an over- or under-recovery amount applied in the calculation of the pass-through mechanism factor, do the member cooperatives agree that the pass-through factor is a net factor, and the net factor is a combination of the pass-through factor that is attributed to the member cooperative's revenue requirement divided by the 12-months-ended average retail revenues and the member cooperative's amortization of any over- or under-recovery amount also divided by the 12-months-ended average retail revenues? If not, explain.

Response 9.

Farmers agrees that in a month when there is an amortization of an over- or under-recovery amount applied in the calculation of the pass-through mechanism factor that the pass-through factor is a net factor. However, Farmers does not agree with the description of the calculation of the pass-through factor as stated in the request. As clearly shown on the monthly "Pass Through Mechanism Report" filed for Farmers, the monthly revenue requirement shown in column 8 is combined with the amortization of over- or under-recovery shown in column 9. The net amount is shown in column 10. The net amount in column 10 is divided by the 12-months ended average net retail revenues shown in column 14, producing the pass-through factor shown in column 15. While the approach described in the request essentially produces the same result mathematically, separate pass-through factor components are not calculated for the monthly revenue requirement and the amortization of the over- or under-recovery.

Witness: William T. Prather

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 10.

This question is addressed to all member cooperatives.

Request 10a.

Does each member cooperative have a monthly Fuel Adjustment Clause ("FAC") that contains a prior month over- or under-recovery mechanism in the calculations?

Response 10a.

Yes.

Request 10b.

If the answer to 10.a. above is yes, does each member cooperative remove the prior month over- or under-recovery amount in calculating the current month's over- or under-recovery amount?

Response 10b.

No.

Request 10c.

If the answer to 10.b. above is no, explain why it is appropriate to remove any over- or under-recovery amount in the environmental surcharge, but it is not required to remove any over/under recovery in the FAC.

Response 10c.

It should be noted that the environmental surcharge is established by KRS 278.183 while the FAC is established by 807 KAR 5:056 and neither explicitly address how over- and under-recoveries are to be handled.

Under the FAC for the Member Cooperatives, the over- or under-recovery from the second previous month is incorporated into the calculations of the current FAC. The current FAC is applied to retail customer bills rendered two months later. Thus, there is a four month lag from the inception of an over- or under- recovery until it is refunded or collected on the retail customers' bill. Each month the retail customers' bill will include a single month's FAC over- or under-recovery amount. There is no adjustment to remove any previous month's over- or under-recovery amount in calculating the current month's over- or under-recovery.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Response 10c. (continued)

Under the environmental surcharge, the over- or under-recovery is determined during the periodic six-month and two-year surcharge review cases. Under normal circumstances, the over- or under-recovery determined during a surcharge review case will cover six months of surcharge operation and the amortization period of the over- or under-recovery has been six months. While the amortization results in an equal dollar amount being included in the retail customers' bills during the amortization period, rather than an amount that reflects month to month changes in sales volumes, it is essentially the same approach as the FAC. Each month during the amortization period will reflect a single month's surcharge over- or under-recovery amount. There have been no adjustments to remove any previous month's over- or under-recovery amount when calculating the current month's over- or under-recovery.

However, the processing of Case Nos. 2012-00486 and 2013-00140 were not normal circumstances. Case No. 2012-00486 reviewed the last six months of a two-year review period and two subsequent six-month review periods, for a total of 18 months of surcharge operations. The case was opened on November 16, 2012 and the Commission's final Order was dated August 2, 2013. Although the review period covered 18 months of surcharge operations, the over- and under-recoveries determined for the Member Cooperatives were amortized over six months. The first month of the amortization of the over- and under-recoveries was reflected in the Member Cooperatives' surcharge pass-through factors filed with the Commission on August 20, 2013.

Case No. 2013-00140 covered a single six-month review period. This case was opened on May 14, 2013 and the Commission's final Order was dated September 17, 2013. The over- and under-recoveries determined for the Member Cooperatives were amortized over six months. The first month of the amortization of the over- and under-recoveries was reflected in the Member Cooperatives' surcharge pass-through factors filed with the Commission on September 20, 2013.

Because of the number of review periods included in the two cases and the overlapping of the amortization periods for these two cases, over- and under-recoveries resulting from 24 months of surcharge operations were amortized over a total of seven months. Thus, the normal situation where six months of surcharge operations are reflected in six months of over- or under-recovery amortization no longer was in force. Without some adjustment to remove the effects of amortizing over- or under-recoveries resulting from 24 months of surcharge operations over seven months, subsequent surcharge review over- and under-recovery calculations will be skewed.

Witness: William T. Prather

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 11.

This question is addressed to all member cooperatives.

Request 11a.

Provide the schedules which support the amount of both the environmental surcharge revenues and the environmental surcharge expenses removed from their cost-of-service on Schedule S for each of their rate filings which cover the period July 2005 through December 2012.

Response 11a.

Farmers filed one rate case, during the stated period, Case No. 2008-00030. Schedule S as filed in attached as Exhibit B, Page 1 of 2.

Request 11b.

Provide an analysis comparing the monthly amounts in 11.a. above with the same with the same monthly amounts the member cooperatives provided in their response to Staff's IC Information Request, Item No. 2.

Response 11b.

The test period for the above stated rate case covered October 2007 through September 2008. The detailed analysis is attached in Exhibit B, Page 2 of 2.

Request 11c.

If there is a difference in the monthly revenue and/or expense amounts in the response to 11.b above, provide a complete explanation of the reason(s) for the difference.

Response 11c.

There is no difference in the monthly revenue and/or expense amounts.

Witness: William T. Prather

Farmers Rural Electric Cooperative
Case No. 2008-00030
Statement of Operations, Adjusted

Exhibit S
page 1 of 4
Witness: Alan Zumstein

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
Operating Revenues:					
Base rates	35,665,496	1,955,055	37,620,551	4,039,455	41,660,006
Fuel and surcharge	5,071,359	(5,071,359)	0		0
Other electric revenue	753,586	238,654	992,240		992,240
	<u>41,490,441</u>	<u>(2,877,650)</u>	<u>38,612,791</u>	<u>4,039,455</u>	<u>42,652,246</u>
Operating Expenses:					
Cost of power:					
Base rates	26,505,088	2,926,526	29,431,614		29,431,614
Fuel and surcharge	5,377,743	(5,377,743)	0		0
Distribution - operations	1,048,163	37,088	1,085,251		1,085,251
Distribution - maintenance	2,440,478	43,598	2,484,076		2,484,076
Consumer accounts	1,104,496	28,541	1,133,037		1,133,037
Customer service	184,756	7,187	191,943		191,943
Sales	0	0	0		0
Administrative and general	1,750,421	11,175	1,761,596		1,761,596
Total operating expenses	<u>38,411,145</u>	<u>(2,323,628)</u>	<u>36,087,517</u>	<u>0</u>	<u>36,087,517</u>
Depreciation	1,968,738	199,153	2,167,891		2,167,891
Taxes - property	467,113	39,091	506,204		506,204
Taxes - other	38,841	0	38,841		38,841
Interest on long-term debt	1,847,047	185,434	2,032,481		2,032,481
Interest expense - other	180,234	(126,287)	53,947		53,947
Other deductions	6,857	(6,857)	0		0
Total cost of electric service	<u>42,919,975</u>	<u>(2,033,094)</u>	<u>40,886,881</u>	<u>0</u>	<u>40,886,881</u>
Utility operating margins	<u>(1,429,534)</u>	<u>(844,556)</u>	<u>(2,274,090)</u>	<u>4,039,455</u>	<u>1,765,365</u>
Nonoperating margins, interest	74,836	0	74,836		74,836
Equity Investment income (lo	56,868	0	56,868		56,868
Nonoperating margins, other	24,447	0	24,447		24,447
Patronage capital credits	110,965	0	110,965		110,965
Net Margins	<u>(\$1,162,418)</u>	<u>(\$844,556)</u>	<u>(\$2,006,974)</u>	<u>\$4,039,455</u>	<u>\$2,032,481</u>
TIER	0.37		0.01		2.00

Exhibit **B**
Page 1 of 2

Farmers Rural Electric Cooperative Corporation
Case No. 2014-00051
Responses to Question 11b.

Adjustment for Operating Revenues (per rate case):

Fuel and Surcharge **\$ 5,071,359.00**

Monthly Calculations Per Billing Registers:

Fuel

October-07 \$ 373,709.00
November-07 \$ 135,897.00
December-07 \$ 48,215.00
January-08 \$ 52,790.00
February-08 \$ 49,762.00
March-08 \$ 290,487.00
April-08 \$ 245,715.00
May-08 \$ 233,347.00
June-08 \$ 433,937.00
July-08 \$ 440,034.00
August-08 \$ 189,234.00
September-08 \$ 443,922.00

Environmental Surcharge

October-07 259,074.00
November-07 210,059.00
December-07 197,850.00
January-08 195,146.00
February-08 209,216.00
March-08 172,727.00
April-08 147,174.00
May-08 118,965.00
June-08 134,219.00
July-08 156,108.00
August-08 159,827.00
September-08 173,945.00

Total Fuel and Surcharge **\$ 5,071,359.00**

Difference **\$ -**

Adjustment for Operating Expenses (per rate case):

Fuel and Surcharge **\$ 5,377,743.00**

Monthly Calculations Per EKPC Invoices:

Fuel

October-07 \$ 372,246.00
November-07 \$ 129,291.00
December-07 \$ 54,711.00
January-08 \$ 45,202.00
February-08 \$ 349,158.00
March-08 \$ 351,784.00
April-08 \$ 251,190.00
May-08 \$ 332,735.00
June-08 \$ 280,368.00
July-08 \$ 224,669.00
August-08 \$ 558,449.00
September-08 \$ 267,291.00

Environmental Surcharge

October-07 266,909.00
November-07 196,311.00
December-07 186,804.00
January-08 182,561.00
February-08 242,856.00
March-08 181,491.00
April-08 159,456.00
May-08 129,403.00
June-08 113,340.00
July-08 150,675.00
August-08 182,819.00
September-08 168,024.00

Total Fuel and Surcharge **\$ 5,377,743.00**

Difference **\$ -**

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

Request 12.

This question is addressed to all member cooperatives. For each of the member cooperatives, provide the following:

Request 12a.

The cumulative over/under recovery for the 24-month period ending December 31, 2013.

Response 12a.

See Exhibit C, Page 1 of 4.

Request 12b.

If the amount provided in 12.a. above is amortized over a six-month period, provide the bill impact on the average residential customer.

Response 12b.

See Exhibit C, Page 2 of 4.

Witness: *William T. Prather*

Farmers Rural Electric Cooperative Corporation
Case No. 2014-00051
Responses to Question 12a.

FARMERS RECC ENVIRONMENTAL SURCHARGE

Accounting Period	Power Bill Date	EKPC (power bills)	Farmers (billed to mems)	monthly	(over)/under cumulative
Under-Recovery Accumulation from the period of June 2005-December 2011					522,561.43
January-12	January-12	430,691.00	426,226.03	4,464.97	527,026.40
February-12	February-12	326,179.00	386,621.98	(60,442.98)	466,583.42
March-12	March-12	237,126.00	237,439.78	(313.78)	466,269.64
April-12	April-12	250,585.00	228,852.77	21,732.23	488,001.87
May-12	May-12	355,826.00	277,241.33	78,584.67	566,586.54
June-12	June-12	449,216.00	364,481.64	84,734.36	651,320.90
July-12	July-12	479,014.00	488,013.20	(8,999.20)	642,321.70
August-12	August-12	391,766.00	460,493.55	(68,727.55)	573,594.15
September-12	September-12	322,028.00	366,177.03	(44,149.03)	529,445.12
October-12	October-12	346,146.00	284,662.25	61,483.75	590,928.87
November-12	November-12	459,559.00	386,755.54	72,803.46	663,732.33
December-12	December-12	520,408.00	444,352.12	76,055.88	739,788.21
January-13	January-13	455,755.00	561,505.34	(105,750.34)	634,037.87
February-13	February-13	385,984.00	479,206.83	(93,222.83)	540,815.04
March-13	March-13	364,919.00	390,764.61	(25,845.61)	514,969.43
April-13	April-13	320,079.00	319,421.84	657.16	515,626.59
May-13	May-13	326,114.00	315,735.07	10,378.93	526,005.52
June-13	June-13	499,391.00	345,933.98	153,457.02	679,462.54
July-13	July-13	466,162.00	491,869.72	(25,707.72)	653,754.82
August-13	August-13	432,240.00	487,937.00	(55,697.00)	598,057.82
September-13	September-13	369,778.00	557,290.78	(187,512.78)	410,545.04
October-13	October-13	329,614.00	490,336.54	(160,722.54)	249,822.50
November-13	November-13	441,498.00	504,930.03	(63,432.03)	186,390.47
December-13	December-13	541,894.00	653,714.24	(111,820.24)	74,570.23

Cumulative 24-months (Over)/Under Recovery		\$ 74,570
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Monthly Recovery (per month for six months)		\$ 12,428
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**Farmers Rural Electric Cooperative Corporation
Case No. 2014-00051**

Actual Average Bill

30 Day Monthly Usage	1,107 kwh
Energy	\$ 94.29
Customer Charge	9.35
Fuel @ (\$0.000910)	(1.01)
Environmental Surcharge @ 14.68%	15.07 *
Local School Tax @ 3.0%	3.53
Total Bill Amount	\$ 121.23

* See Exhibit B, Page 3 of 4

Recovery Period of Six Months

30 Day Monthly Usage	1,107 kwh
Energy	\$ 94.29
Customer Charge	9.35
Fuel @ (\$0.000910)	(1.01)
Environmental Surcharge @ 15.02%	15.42 **
Local School Tax @ 3.0%	3.54
Total Bill Amount	\$ 121.59

** See Exhibit B, Page 4 of 4

Notes:

- Fuel is calculated on kwh amount.
- Environmental Surcharge is calculated on energy, customer charge and fuel.
- School Tax is calculated on all charges.

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Farmers RECC

For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Farmers	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Farmers	EKPC 12-months Ended Average Monthly Revenue from Sales to Farmers	Farmers Revenue Requirement	Amortization of (Over)/Under Recovery	Farmers Net Revenue Requirement	Farmers Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Farmers Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Farmers Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (3) x Col. (7)		Col. (8) + Col. (9)			Col. (11) - Col. (12)		Col. (10) / Col. (14)
Sep-11	12.01%	0.00%	12.01%	\$ 2,327,029		\$ 2,327,029	\$ 2,596,484	\$ 311,838	\$ (30,804)	\$ 281,034	\$ 2,894,220		\$ 2,894,220	\$ 3,604,027	7.79%
Oct-11	14.85%	0.00%	14.85%	\$ 2,126,204		\$ 2,126,204	\$ 2,626,376	\$ 390,017	\$ (30,804)	\$ 359,213	\$ 3,193,574		\$ 3,193,574	\$ 3,612,083	9.97%
Nov-11	15.11%	0.00%	15.11%	\$ 2,431,137		\$ 2,431,137	\$ 2,659,391	\$ 401,834	\$ (30,804)	\$ 371,030	\$ 3,740,379		\$ 3,740,379	\$ 3,625,030	10.27%
Dec-11	14.21%	0.00%	14.21%	\$ 2,813,245		\$ 2,813,245	\$ 2,618,360	\$ 372,069	\$ (30,804)	\$ 341,265	\$ 4,150,036		\$ 4,150,036	\$ 3,603,123	9.41%
Jan-12	12.09%	0.00%	12.09%	\$ 3,030,904		\$ 3,030,904	\$ 2,578,406	\$ 311,729	\$ -	\$ 311,729	\$ 4,108,627		\$ 4,108,627	\$ 3,553,768	8.65%
Feb-12	10.78%	0.00%	10.78%	\$ 2,697,925		\$ 2,697,925	\$ 2,560,389	\$ 276,010	\$ -	\$ 276,010	\$ 3,575,840		\$ 3,575,840	\$ 3,521,771	7.77%
Mar-12	12.92%	0.00%	12.92%	\$ 2,199,686		\$ 2,199,686	\$ 2,546,831	\$ 329,051	\$ -	\$ 329,051	\$ 2,945,369		\$ 2,945,369	\$ 3,496,512	9.34%
Apr-12	14.94%	0.00%	14.94%	\$ 1,939,493		\$ 1,939,493	\$ 2,538,522	\$ 379,255	\$ -	\$ 379,255	\$ 2,968,246		\$ 2,968,246	\$ 3,514,864	10.85%
May-12	16.90%	0.00%	16.90%	\$ 2,381,701		\$ 2,381,701	\$ 2,556,177	\$ 431,994	\$ -	\$ 431,994	\$ 3,359,278		\$ 3,359,278	\$ 3,534,136	12.29%
Jun-12	15.55%	0.00%	15.55%	\$ 2,658,075		\$ 2,658,075	\$ 2,554,557	\$ 397,234	\$ -	\$ 397,234	\$ 3,970,742		\$ 3,970,742	\$ 3,593,348	11.24%
Jul-12	14.51%	0.00%	14.51%	\$ 3,080,477		\$ 3,080,477	\$ 2,554,603	\$ 370,673	\$ -	\$ 370,673	\$ 4,096,807		\$ 4,096,807	\$ 3,574,495	10.32%
Aug-12	14.13%	0.00%	14.13%	\$ 2,699,968		\$ 2,699,968	\$ 2,532,154	\$ 357,793	\$ -	\$ 357,793	\$ 3,548,260		\$ 3,548,260	\$ 3,545,948	10.01%
Sep-12	16.23%	0.00%	16.23%	\$ 2,279,035		\$ 2,279,035	\$ 2,528,154	\$ 410,319	\$ -	\$ 410,319	\$ 2,843,720		\$ 2,843,720	\$ 3,541,740	11.57%
Oct-12	17.57%	0.00%	17.57%	\$ 2,132,758		\$ 2,132,758	\$ 2,528,700	\$ 444,293	\$ -	\$ 444,293	\$ 3,342,760		\$ 3,342,760	\$ 3,554,172	12.54%
Nov-12	18.23%	0.00%	18.23%	\$ 2,615,595		\$ 2,615,595	\$ 2,544,072	\$ 463,784	\$ -	\$ 463,784	\$ 3,543,393		\$ 3,543,393	\$ 3,537,756	13.05%
Dec-12	14.61%	0.00%	14.61%	\$ 2,854,676		\$ 2,854,676	\$ 2,547,524	\$ 372,193	\$ -	\$ 372,193	\$ 4,302,313		\$ 4,302,313	\$ 3,550,446	10.52%
Jan-13	13.49%	0.00%	13.49%	\$ 3,119,470		\$ 3,119,470	\$ 2,554,905	\$ 344,657	\$ -	\$ 344,657	\$ 4,555,242		\$ 4,555,242	\$ 3,587,664	9.71%
Feb-13	12.61%	0.00%	12.61%	\$ 2,861,265		\$ 2,861,265	\$ 2,568,517	\$ 323,890	\$ -	\$ 323,890	\$ 4,026,058		\$ 4,026,058	\$ 3,625,182	9.03%
Mar-13	14.37%	0.00%	14.37%	\$ 2,893,886		\$ 2,893,886	\$ 2,626,367	\$ 377,409	\$ -	\$ 377,409	\$ 3,537,316		\$ 3,537,316	\$ 3,674,511	10.41%
Apr-13	14.27%	0.00%	14.27%	\$ 2,227,407		\$ 2,227,407	\$ 2,650,359	\$ 378,206	\$ -	\$ 378,206	\$ 3,032,999		\$ 3,032,999	\$ 3,679,907	10.29%
May-13	17.97%	0.00%	17.97%	\$ 2,285,310		\$ 2,285,310	\$ 2,642,327	\$ 474,826	\$ -	\$ 474,826	\$ 3,361,849		\$ 3,361,849	\$ 3,680,122	12.90%
Jun-13	17.09%	0.00%	17.09%	\$ 2,796,113		\$ 2,796,113	\$ 2,653,830	\$ 453,540	\$ -	\$ 453,540	\$ 3,812,526		\$ 3,812,526	\$ 3,666,937	12.32%
Jul-13	15.77%	0.00%	15.77%	\$ 2,727,699		\$ 2,727,699	\$ 2,624,432	\$ 413,873	\$ 145,226	\$ 559,099	\$ 3,960,409		\$ 3,960,409	\$ 3,655,570	15.25%
Aug-13	15.49%	0.00%	15.49%	\$ 2,740,899		\$ 2,740,899	\$ 2,627,843	\$ 407,053	\$ 159,971	\$ 567,024	\$ 3,654,248		\$ 3,654,248	\$ 3,664,403	15.51%
Sep-13	14.93%	0.00%	14.93%	\$ 2,387,197		\$ 2,387,197	\$ 2,638,858	\$ 393,683	\$ 159,971	\$ 553,654	\$ 3,160,830		\$ 3,160,830	\$ 3,690,829	15.11%
Oct-13	16.69%	0.00%	16.69%	\$ 2,207,728		\$ 2,207,728	\$ 2,643,104	\$ 441,134	\$ 159,971	\$ 601,105	\$ 3,341,727		\$ 3,341,727	\$ 3,690,743	16.29%
Nov-13	17.43%	0.00%	17.43%	\$ 2,645,278		\$ 2,645,278	\$ 2,645,577	\$ 461,124	\$ 159,971	\$ 621,095	\$ 4,012,992		\$ 4,012,992	\$ 3,729,876	16.83%
Dec-13	14.54%	0.00%	14.54%	\$ 3,108,968		\$ 3,108,968	\$ 2,666,768	\$ 387,748	\$ 159,971	\$ 547,719	\$ 4,690,507		\$ 4,690,507	\$ 3,762,225	14.68%
Jan-14	10.92%	0.00%	10.92%	\$ 3,923,632		\$ 3,923,632	\$ 2,733,782	\$ 298,529	\$ 14,745	\$ 313,274	\$ 5,317,160		\$ 5,317,160	\$ 3,825,718	8.33%
Feb-14	5.44%	0.00%	5.44%	\$ 3,254,143		\$ 3,254,143	\$ 2,766,522	\$ 150,499	\$ -	\$ 150,499					3.93%

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Farmers RECC

For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Farmers	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Farmers	EKPC 12-months Ended Average Monthly Revenue from Sales to Farmers	Farmers Revenue Requirement	Amortization of (Over)/Under Recovery	Farmers Net Revenue Requirement	Farmers Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Farmers Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Farmers Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)		Col (8) + Col (9)			Col (11) - Col (12)		Col (10) / Col (14)
Sep-11	12.01%	0.00%	12.01%	\$ 2,327,029		\$ 2,327,029	\$ 2,596,484	\$ 311,838	\$ (30,804)	\$ 281,034	\$ 2,894,220		\$ 2,894,220	\$ 3,604,027	7.79%
Oct-11	14.85%	0.00%	14.85%	\$ 2,126,204		\$ 2,126,204	\$ 2,626,376	\$ 390,017	\$ (30,804)	\$ 359,213	\$ 3,193,574		\$ 3,193,574	\$ 3,612,083	9.97%
Nov-11	15.11%	0.00%	15.11%	\$ 2,431,137		\$ 2,431,137	\$ 2,659,391	\$ 401,834	\$ (30,804)	\$ 371,030	\$ 3,740,379		\$ 3,740,379	\$ 3,625,030	10.27%
Dec-11	14.21%	0.00%	14.21%	\$ 2,813,245		\$ 2,813,245	\$ 2,618,360	\$ 372,069	\$ (30,804)	\$ 341,265	\$ 4,150,036		\$ 4,150,036	\$ 3,603,123	9.41%
Jan-12	12.09%	0.00%	12.09%	\$ 3,030,904		\$ 3,030,904	\$ 2,578,406	\$ 311,729	\$ -	\$ 311,729	\$ 4,108,627		\$ 4,108,627	\$ 3,553,768	8.65%
Feb-12	10.78%	0.00%	10.78%	\$ 2,697,925		\$ 2,697,925	\$ 2,560,389	\$ 276,010	\$ -	\$ 276,010	\$ 3,575,840		\$ 3,575,840	\$ 3,521,771	7.77%
Mar-12	12.92%	0.00%	12.92%	\$ 2,199,686		\$ 2,199,686	\$ 2,546,831	\$ 329,051	\$ -	\$ 329,051	\$ 2,945,369		\$ 2,945,369	\$ 3,496,512	9.34%
Apr-12	14.94%	0.00%	14.94%	\$ 1,939,493		\$ 1,939,493	\$ 2,538,522	\$ 379,255	\$ -	\$ 379,255	\$ 2,968,246		\$ 2,968,246	\$ 3,514,864	10.85%
May-12	16.90%	0.00%	16.90%	\$ 2,381,701		\$ 2,381,701	\$ 2,556,177	\$ 431,994	\$ -	\$ 431,994	\$ 3,359,278		\$ 3,359,278	\$ 3,534,136	12.29%
Jun-12	15.55%	0.00%	15.55%	\$ 2,658,075		\$ 2,658,075	\$ 2,554,557	\$ 397,234	\$ -	\$ 397,234	\$ 3,970,742		\$ 3,970,742	\$ 3,593,348	11.24%
Jul-12	14.51%	0.00%	14.51%	\$ 3,080,477		\$ 3,080,477	\$ 2,554,603	\$ 370,673	\$ -	\$ 370,673	\$ 4,096,807		\$ 4,096,807	\$ 3,574,495	10.32%
Aug-12	14.13%	0.00%	14.13%	\$ 2,699,968		\$ 2,699,968	\$ 2,532,154	\$ 357,793	\$ -	\$ 357,793	\$ 3,548,260		\$ 3,548,260	\$ 3,545,948	10.01%
Sep-12	16.23%	0.00%	16.23%	\$ 2,279,035		\$ 2,279,035	\$ 2,528,154	\$ 410,319	\$ -	\$ 410,319	\$ 2,843,720		\$ 2,843,720	\$ 3,541,740	11.57%
Oct-12	17.57%	0.00%	17.57%	\$ 2,132,758		\$ 2,132,758	\$ 2,528,700	\$ 444,293	\$ -	\$ 444,293	\$ 3,342,760		\$ 3,342,760	\$ 3,554,172	12.54%
Nov-12	18.23%	0.00%	18.23%	\$ 2,615,595		\$ 2,615,595	\$ 2,544,072	\$ 463,784	\$ -	\$ 463,784	\$ 3,543,393		\$ 3,543,393	\$ 3,537,756	13.05%
Dec-12	14.61%	0.00%	14.61%	\$ 2,854,676		\$ 2,854,676	\$ 2,547,524	\$ 372,193	\$ -	\$ 372,193	\$ 4,302,313		\$ 4,302,313	\$ 3,550,446	10.52%
Jan-13	13.49%	0.00%	13.49%	\$ 3,119,470		\$ 3,119,470	\$ 2,554,905	\$ 344,657	\$ -	\$ 344,657	\$ 4,555,242		\$ 4,555,242	\$ 3,587,664	9.71%
Feb-13	12.61%	0.00%	12.61%	\$ 2,861,265		\$ 2,861,265	\$ 2,568,517	\$ 323,890	\$ -	\$ 323,890	\$ 4,026,058		\$ 4,026,058	\$ 3,625,182	9.03%
Mar-13	14.37%	0.00%	14.37%	\$ 2,893,886		\$ 2,893,886	\$ 2,626,367	\$ 377,409	\$ -	\$ 377,409	\$ 3,537,316		\$ 3,537,316	\$ 3,674,511	10.41%
Apr-13	14.27%	0.00%	14.27%	\$ 2,227,407		\$ 2,227,407	\$ 2,650,359	\$ 378,206	\$ -	\$ 378,206	\$ 3,032,999		\$ 3,032,999	\$ 3,679,907	10.29%
May-13	17.97%	0.00%	17.97%	\$ 2,285,310		\$ 2,285,310	\$ 2,642,327	\$ 474,826	\$ -	\$ 474,826	\$ 3,361,849		\$ 3,361,849	\$ 3,680,122	12.90%
Jun-13	17.09%	0.00%	17.09%	\$ 2,796,113		\$ 2,796,113	\$ 2,653,830	\$ 453,540	\$ -	\$ 453,540	\$ 3,812,526		\$ 3,812,526	\$ 3,666,937	12.32%
Jul-13	15.77%	0.00%	15.77%	\$ 2,727,699		\$ 2,727,699	\$ 2,624,432	\$ 413,873	\$ 145,226	\$ 559,099	\$ 3,960,409		\$ 3,960,409	\$ 3,655,570	15.25%
Aug-13	15.49%	0.00%	15.49%	\$ 2,740,899		\$ 2,740,899	\$ 2,627,843	\$ 407,053	\$ 159,971	\$ 567,024	\$ 3,654,248		\$ 3,654,248	\$ 3,664,403	15.51%
Sep-13	14.93%	0.00%	14.93%	\$ 2,387,197		\$ 2,387,197	\$ 2,636,856	\$ 393,683	\$ 159,971	\$ 553,654	\$ 3,160,830		\$ 3,160,830	\$ 3,690,829	15.11%
Oct-13	16.69%	0.00%	16.69%	\$ 2,207,728		\$ 2,207,728	\$ 2,643,104	\$ 441,134	\$ 159,971	\$ 601,105	\$ 3,341,727		\$ 3,341,727	\$ 3,690,743	16.29%
Nov-13	17.43%	0.00%	17.43%	\$ 2,645,278		\$ 2,645,278	\$ 2,645,577	\$ 461,124	\$ 159,971	\$ 621,095	\$ 4,012,992		\$ 4,012,992	\$ 3,729,876	16.83%
Dec-13	14.54%	0.00%	14.54%	\$ 3,108,968		\$ 3,108,968	\$ 2,666,768	\$ 387,748	\$ 172,399	\$ 560,147	\$ 4,690,507		\$ 4,690,507	\$ 3,762,225	15.02% **
Jan-14	10.92%	0.00%	10.92%	\$ 3,923,632		\$ 3,923,632	\$ 2,733,782	\$ 298,529	\$ 14,745	\$ 313,274	\$ 5,317,160		\$ 5,317,160	\$ 3,825,718	8.33%
Feb-14	5.44%	0.00%	5.44%	\$ 3,254,143		\$ 3,254,143	\$ 2,766,522	\$ 150,499	\$ -	\$ 150,499					3.93%

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

Request 13.

This question is addressed to all member cooperatives.

Request 13a.

Provide the billing cycles and billing dates for each cycle in the month of July 2013.

Response 13a.

<u>CYCLE</u>	<u>SERVICE PERIOD</u>	<u>BILL DATE</u>
602	6/3/2013 – 7/2/2013	7/3/2013
606-607	6/1/2013 – 7/1/2013	7/12/2013
603	6/11/2013 – 7/11/2013	7/12/2013
604	6/19/2013 – 7/18/2013	7/19/2013
605	6/26/2013 – 7/26/2013	7/29/2013

Request 13b.

For each billing cycle in July 2013, provide the environmental surcharge factor that was billed to customers.

Response 13b.

The environmental surcharge factor billed to members in July 2013 was 12.90.

Witness: *William T. Prather*

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

Request 17.

This question is addressed to Farmers Rural Electric Cooperative Corporation ("Farmers"). Refer to Farmers' response to Staff's Second Request, item 2.b. Farmers did not supply the revenue amount that the pass-through factor was applied to, resulting in the amount of \$491,870 as shown in your response to item 2.a. of Commission Staff's First Request for Information ("Staff's First Request"). Provide the requested information.

Response 17.

The revenue amount that the pass-through factor was applied to totaled \$3,812,526.

Witness: William T. Prather